

# Bankrupt British Empire Keeps Pushing To Overthrow Putin

by Rachel Douglas

Jan. 9—Organizers of the December 2011 “anti-vote-fraud” demonstrations in Moscow have announced Feb. 4 as the date of their next street action, planned as a march around the city’s Garden Ring Road on the 22nd anniversary of a mass demonstration which paved the way to the end of the Soviet Union. While there is a fluid situation within both the Russian extra-parliamentary opposition layers, and the ruling circles and other Duma parties, including a process of “dialogue” between them, in which ex-Finance Minister Alexei Kudrin is playing a role, it is clear that British imperial interests are intent on—if not actually destroying Prime Minister Vladimir Putin’s bid for reelection as Russia’s President in the March 4 elections—casting Russia into ongoing, destructive political turmoil.

Lyndon LaRouche has observed that anybody acting according to this British agenda with the intention of coming out on top is a fool, since the British financial-political empire is bankrupt and its entire system is coming down.

Review of the events leading up to the Dec. 4, 2011 Duma elections, which the street demonstrators demanded be cancelled for fraud, shows that not only agent-of-British-influence Mikhail Gorbachov, the ex-Soviet President, but also the vast Project Democracy apparatus inside the United States, exposed by *EIR* in the 1980s as part of an unconstitutional “secret

government,”<sup>1</sup> have been on full mobilization to block the current Russian leadership from continuing in power.

## Project Democracy

Typical is the testimony of Nadia Diuk, vice president of the National Endowment for Democracy (NED), before the Subcommittee on Europe and Eurasia of the U.S. House Committee on Foreign Affairs last July 26. The NED is the umbrella of Project Democracy; it functions, inclusively, through the International Republican Institute (IRI, linked with the Republican Party) and the

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1. “Project Democracy: The ‘parallel government’ behind the Iran-Contra affair,” Washington, D.C.: EIR Research, Inc., 1987. This 341-page special report explored the connection between the National Endowment for Democracy (NED) and the illegal gun-running operations of Col. Oliver North, et al., which had been mentioned in cursory fashion in the Tower Commission report on that “Iran-Contra” scandal. Lyndon H. LaRouche, Jr.’s introduction to the report identified the roots of North’s “Irangate” gun-running in Henry A. Kissinger’s reorganization of U.S. intelligence under President Richard M. Nixon, in the wake of post-Watergate findings by the 1975 Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (Church Committee). The process of replacing traditional intelligence functions of government with National Security Council-centered operations, often cloaked as promoting “democracy” worldwide, was continued under the Trilateral Commission-created Administration of Jimmy Carter. Supporting “democracy”—often measured by such criteria as economic deregulation and extreme free-market programs, which ravage the populations that are supposedly being democratized—became an axiom of U.S. foreign policy. The NED itself was founded in 1983.



EU

*British imperial interests are intent on destroying Prime Minister Putin's bid for the Presidency, and throwing Russia into deadly political turmoil. Shown: Putin on a visit to the EU in Brussels, February 2011.*

National Democratic Institute (NDI, linked with the Democratic Party, and currently headed by Madeleine Albright).

Diuk was educated at the U.K.'s University of Sussex Russian studies program, and then taught at Oxford University, before coming to the U.S.A. to head up the NED's programs in Eastern Europe and Russia beginning 1990. She is married to her frequent co-author, Adrian Karatnycky of the Atlantic Institute, who headed up the private intelligence outfit Freedom House<sup>2</sup> for 12 years. Her role is typical of British outsourcing of key strategic operations to U.S. institutions.

In her testimony, Diuk came off like a reincarnation

2. "Profile: 'Get LaRouche' Taskforce: Train Salon's Cold War Propaganda Apparatus," *EIR*, Sept. 29, 2006, reviews the Truman-era roots of relations among Anglo-American intelligence figures John Train, James Jesus Angleton, Jay Lovestone, and Leo Cherne, all of whom were later active against LaRouche and his influence. Cherne's International Rescue Committee (IRC) was described by Daniel Patrick Moynihan, its one-time director of public relations, as an instrument of "psychological warfare." The closely related Freedom House project was directed by Cherne for many years. Geostrategists such as Zbigniew Brzezinski, who has written that Russia is destined to fragment as the Soviet Union did, have sat on its board.

of a 1950s Cold Warrior, raving against the Russian government as "authoritarian," "dictators," and so forth. She said, "The trend lines for freedom and democracy in Russia have been unremittingly negative since Vladimir Putin took power and set about the systematic construction of a representation of their interests within the state." She announced at that point that the elections would be illegitimate: "[T]he current regime will likely use the upcoming parliamentary elections in December 2011 and presidential election in March 2012 with the inevitable falsifications and manipulations, to claim the continued legitimacy of its rule."

Diuk expressed renewed hope that the disastrous 2004 Orange Revolution experiment in Ukraine could be replicated in Russia, claiming that "when the protests against authoritarian rule during Ukraine's Orange Revolution brought down the government in 2004, Russian citizens saw a vision across the

border of an alternative future for themselves as a Slavic nation." She then detailed what she claimed were the Kremlin's reactions to the events in Ukraine, charging that "the leaders in the Kremlin—always the most creative innovators in the club of authoritarians—have also taken active measures to promote support of the government and undermine the democratic opposition. . . ."

While lauding "the democratic breakthroughs in the Middle East" in 2011, Diuk called on the Congress to "look to [Eastern Europe] as the source of a great wealth of experience on how the enemies of freedom are ever on the alert to assert their dominance, but also how the forces for freedom and democracy will always find a way to push back in a struggle that demands our support."

In September, Diuk chaired an NED event featuring a representative of the NED-funded Levada Center Russian polling organization, who gave an overview of the then-upcoming December 4 Duma election. Also speaking there was Russian liberal politician Vladimir Kara-Murza, who predicted in the nastiest tones that Putin will suffer the fate of President Hosni Mubarak in Egypt. In this same September period, Mikhail Gorbachov, too, was already forecasting voting irregularities

and a challenge to Putin's dominance.

The NED, which has an annual budget of \$100 million, sponsors dozens of "civil society" groups in Russia. Golos, the supposedly independent vote-monitoring group that declared there would be vote fraud even before the elections took place, has received NED money through the NDI since 2000. Golos had a piece-work program, paying its observers a set amount of money for each reported voting irregularity. NED grant money has gone to Alexei Navalny—the online anti-corruption activist and cult figure of the December demonstrations—since 2006, when he and Maria Gaidar (daughter of the late London-trained shock therapy Prime Minister Yegor Gaidar) launched a youth debating project called "DA!" (meaning "Yes!" or standing for "Democratic Alternative"). Gorbachov's close ally Vladimir Ryzhkov, currently negotiating with Kudrin on terms of a "dialogue between the authorities and the opposition," also received NED grants to his World Movement for Democracy.

Besides George Soros's Open Society Foundations (formerly, Open Society Institute, OSI), the biggest source of funds for this meddling, including funding which was channeled through the NDI and the IRI, is the U.S. Agency for International Development (USAID). Officially, USAID has spent \$2.6 billion on programs in Russia since 1992. The current acknowledged level is around \$70 million annually, of which nearly half is for "Governing Justly & Democratically" programs, another 30% for "Information" programs, and only a small fraction for things like combatting HIV and TB. On Dec. 15, Assistant Secretary of State, Bureau of European and Eurasian Affairs Philip Gordon announced that the Obama Administration would seek Congressional approval to step up this funding, with "an initiative to create a new fund to support Russian non-governmental organizations that are committed to a more pluralistic and open society."

### Awaiting McFaul

People from various parts of the political spectrum in Russia see the impending arrival of Michael McFaul



HolosAmeryky

*The British-educated Nadia Diuk is vice president of the National Endowment for Democracy, from which perch she has spread "Cold War" venom against Putin and the Russian government.*

as U.S. Ambassador to Russia as an escalation in Project Democracy efforts to destabilize Russia. McFaul, who has been Barack Obama's National Security Council official for Russia, has been working this beat since the early 1990s, when he represented the NDI in Russia at the end of the Soviet period, and headed its office there.

As a Russia specialist at Stanford's Freeman Spogli Institute for International Studies and Hoover Institution, as well as the Carnegie Endowment, and an array of other Russian studies think tanks, McFaul has stuck closely to the Project Democracy agenda. Financing for his research has come from the NED, the OSI, and the Smith-Richardson Foundation (another notorious agency of financier interests within the U.S. establishment). He was an editor of the 2006 book *Revolution in Orange:*

*The Origins of Ukraine's Democratic Breakthrough*, containing chapters by Diuk and Karatnycky.

In his own contribution to a 2010 book titled *After Putin's Russia*,<sup>3</sup> McFaul hailed the 2004 Orange Revolution in Ukraine—which was notoriously funded and manipulated from abroad—as a triumph of "people's political power from below to resist and eventually overturn a fraudulent election."

Before coming to the NSC, one of McFaul's many positions at Stanford was co-director of the Iran Democracy Project. He has also been active in such projects as the British Henry Jackson Society which is active in the drive to overthrow the government of Syria.

### The Internet Dimension

The December 2011 street demonstrations in Moscow were organized largely online. Participation rose from a few hundred on Dec. 5, the day after the election, to an estimated 20,000 people on Bolotnaya Square Dec. 10, and somewhere in the wide range of 30,000 to 120,000 on Academician Sakharov Prospect Dec. 24.

Headlong expansion of Internet access and online social networking over the past three to five years has

3. Stephen K. Wegren, Dale Roy Herspring (eds.), *After Putin's Russia: Past Imperfect, Future Uncertain*, Lanham, Md.: Rowman & Littlefield, 2010, p. 118.

opened up a new dimension of political-cultural warfare in Russia. An *EIR* investigation finds that British intelligence agencies involved in the current attempts to destabilize Russia and, in their maximum version, overthrow Putin, have been working intensively to profile online activity in Russia and find ways to expand and exploit it. Some of these projects are outsourced to think tanks in the U.S.A. and Canada, but their center is Cambridge University in the U.K.—the heart of the British Empire, home of Bertrand Russell’s systems analysis and related ventures of the Cambridge Apostles.<sup>4</sup>

The scope of the projects goes beyond profiling, as can be seen in the Cambridge-centered network’s interaction with Russian anti-corruption crusader Alexei Navalny, a central figure in the December protest rallies.

While George Soros and his OSI prioritized building Internet access in the former Soviet Union starting two decades ago, as recently as in 2008 British cyberspace specialists were complaining that the Internet was not yet efficient for political purposes in Russia. Oxford University’s Reuters Institute for the Study of Journalism produced a Soros-funded report in 2008, titled “The Web that Failed: How opposition politics and independent initiatives are failing on the Internet in Russia.” The Oxford-Reuters authors regretted that processes like the Orange Revolution, in which online connections were

4. Craig Isherwood, “Universal Principles vs. Sense Certainty,” *The New Citizen*, October/November 2011, p. 12 ([http://cecaust.com.au/pubs/pdfs/cv7n6\\_pages12to14.pdf](http://cecaust.com.au/pubs/pdfs/cv7n6_pages12to14.pdf)). Founded as the Cambridge Conversation Society in 1820, by Cambridge University professor and advisor to the British East India Company, the Rev. Charles Simeon, the Apostles are a secret society limited to 12 members at a time. Its veterans have held strategic intelligence posts for the British Empire, both in the heyday of overt colonialism, and in the continuing financial empire and anti-science “empire of the mind,” for nearly two centuries, during which Cambridge was the elite university in Britain, Trinity College was the elite college within Cambridge, and the Apostles were the elite within Trinity. Isherwood reported, “Among other doctrines, the Apostles founded: Fabian socialism; logical positivism specifically against physical chemistry; most of modern psychoanalysis; all modern economic doctrines, including Keynesianism and post-World War II ‘mathematical economics’; modern digital computers and ‘information theory’; and systems analysis. They also founded the world-famous Cavendish Laboratory as the controlling priesthood for science, to attack Leibniz, Gauss, and Riemann, in particular. . . . John Maynard Keynes, a leader of the Apostles, . . . traced the intellectual traditions of the Apostles back to John Locke and Isaac Newton, and through Newton back to the ancient priesthood of Babylon.” The group’s abiding focus on influencing Russia is exemplified by not only Bertrand Russell himself, but also the involvement of several members of the Apostles, including Lord Victor Rothschild of the banking family, and future Keeper of the Queen’s Pictures Sir Anthony Blunt, in the Anglo-Soviet spy rings of the mid-20th Century.



White House/Pete Souza

*The impending arrival in Moscow of Michael McFaul (shown here with his boss in the Oval Office), as U.S. Ambassador to Russia, is seen by many there as an escalation of Project Democracy efforts to destabilize the country.*

crucial, had not gotten a toehold in Russia. But they quoted a 2007 report by Andrew Kuchins of the Moscow Carnegie Center, who found reason for optimism in the seven-fold increase in Russian Internet (Runet) use from 2000 to 2007. They also cited Robert Ortung of American University and the Resource Security Institute, on how Russian blogs were reaching “the most dynamic members of the youth generation” and could be used by “members of civil society” to mobilize “liberal opposition groups and nationalists.”

Scarcely a year later, a report by the digital marketing firm comScore crowed that booming Internet access had led to Russia’s having “the world’s most engaged social networking audience.” Russian Facebook use rose by 277% from 2008 to 2009. The Russia-based social networking outfit Vkontakte.ru (like Facebook) had 14.3 million visitors in 2009; Odnoklassniki.ru

(like Classmates.com) had 7.8 million; and Mail.ru-My World had 6.3 million. All three of these social networking sites are part of the Mail.ru/Digital Sky Technologies empire of Yuri Milner,<sup>5</sup> with the individual companies registered in the British Virgin Islands and other offshore locations.

### The Cambridge Security Programme

Two top profilers of the Runet are Ronald Deibert and Rafal Rohozinski, who assessed its status in their essay “Control and Subversion in Russian Cyberspace.”<sup>6</sup> At the University of Toronto, Deibert is a colleague of Barry Wellman, co-founder of the International Network of Social Network Analysis (INSNA).<sup>7</sup> Rohozinski is a cyber-warfare specialist who ran the Advanced Network Research Group of the Cambridge Security Programme (CSP) at Cambridge University in 2002-07. Nominally ending its work, the CSP handed off its projects to an array of organizations in the OpenNet Initiative (ONI), including Rohozinski’s SecDev Group consulting firm, which issues the *Information Warfare Monitor*.

The ONI, formally dedicated to mapping and circumventing Internet surveillance and filtering by governments, is a joint project of Cambridge (Rohozinski), the Oxford Internet Institute, the Berkman Center for Internet and Society at Harvard Law School, and the University of Toronto.

Deibert and Rohozinski noted that the Runet grew five times faster than the next fastest growing Internet region, the Middle East, in 2000-08. They cited official estimates that 38 million Russians were going online as of 2010, of whom 60 had broadband access from home; the forecast number of Russia-based Runet users by 2012 was 80 million, out of a population of 140 million. Qualitatively, the ONI authors welcomed what they called “the rise of the Internet to the center of Russian culture and politics.” On the political side, they asserted that “the Internet has eclipsed all the mass media in terms of its reach, readership, and especially in the



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degree of free speech and opportunity to mobilize that it provides.”

This notion of an Internet-savvy core of the population becoming the focal point of Russian society is now being hyped by those who want to push the December demonstrations into a full-scale political crisis. Such writers call this segment of the population “the creative class,” or “the active creative minority,” which can override an inert majority of the population. The Dec. 30 issue of *Vedomosti*, a financial daily co-owned by the *Financial Times* of London, featured an article by sociologist Natalya Zubarevich, which was then publicized in “Window on Eurasia” by Paul Goble, a State Department veteran who has concentrated for decades on the potential for Russia to split along ethnic or other lines.

Zubarevich proposed that the 31% of the Russian population living in the 14 largest cities, of which 9 have undergone “post-industrial transformation,” constitute a special, influential class, as against the inhabitants of rural areas (38%) and mid-sized industrial cities with an uncertain future (25%). Goble defined the big-city population as a target: “It is in this Russia that the 35 million domestic users of the Internet and those who want a more open society are concentrated.”

### The Case of Alexei Navalny

In the “The Web that Failed” study, Oxford-Reuters authors Floriana Fossato, John Lloyd, and Alexander Verkhovsky delved into the missing elements, in their view, of the Russian Internet. What would it take, they

5. Billionaire Milner is a self-described failed physicist. He worked for the World Bank on Russian banking issues in the 1990s, before making his fortune as one of Russia’s newly minted “oligarchs”—a business partner of now-jailed Mikhail Khodorkovsky in the Menatep banking group, among other projects.

6. In *Access Controlled: The Shaping of Power, Rights, and Rule in Cyberspace*, an OpenNet Initiative (ONI) book, Cambridge, Mass.: The MIT Press, 2010.

7. David Christie, “INSNA: ‘Handmaidens of British Colonialism,’” in *The Noösphere vs. the Blogosphere: Is the Devil in Your Laptop?*, La-RouchePAC, 2007.



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NED grant money has gone to Alexei Navalny (inset), the online “anti-corruption” activist and cult figure of the December demonstrations. Addressing crowds on the street, Navalny sounds more like Mussolini than a proponent of democracy. A Russian columnist found him reminiscent of either Hitler, or Catalina, who conspired against the Roman Republic. Shown: the Dec. 24 demonstration in Moscow.

asked, for Rунet participants to be able to “orchestrate motivation and meaningful commitments”? They quoted Julia Minder of the Russian portal Rambler, who said about the potential for “mobilization”: “Blogs are at the moment the answer, but the issue is how to find a leading blogger who wants to meet people on the Internet several hours per day. Leading bloggers need to be entertaining. . . . The potential is there, but more often than not it is not used.”

It is difficult not to wonder if Alexei Navalny is a test-tube creation intended to fill the missing niche. This would not be the first time in recent Russian history that such a thing happened. In 1990, future neoliberal “young reformers” Anatoli Chubais and Sergei Vasilyev wrote a paper under International Institute for Applied Systems Analysis (IIASA) auspices, on the priorities for reform in the Soviet Union. They stated that a certain personality was missing on the Soviet scene at that time: the wealthy businessman. In their IIASA paper, Chubais and Vasilyev wrote: “We now see a figure, arising from historical non-existence: the figure of a businessman-entrepreneur, who has enough capital to bear the investment responsibility, and enough technological knowledge and willingness to support innovation.”<sup>8</sup>

8. Anatoliy Chubais and Sergei A. Vasilyev, “Privatization in the USSR: Necessary for Structural Change,” in *Economic Reform and Integra-*

This type of person was subsequently brought into existence through the corrupt post-Soviet privatization process in Russia, becoming known as “the oligarchs.” Was Navalny, similarly, synthesized as a charismatic blogger to fill the British subversive need for “mobilization”?

Online celebrity Navalny’s arrest in Moscow on Dec. 5, and his speech at the Academician Sakharov Prospect rally on Dec. 24 were highlights of last month’s turmoil in the Russian capital. Now 35 years old, Navalny grew up in a Soviet/Russian military family and was educated as a lawyer. In 2006, he began to be financed by NED for the DA! project (see above). Along the way—maybe through doing online day-trading, as some biographies suggest, or maybe from unknown benefactors—Navalny acquired enough money to be able to spend \$40,000 (his figure) on a few shares in each of several major Russian companies with a high percentage of state ownership. This gave him minority-shareholder status, as a platform for his anti-corruption probes.

It must be understood that the web of “corruption”

*tion: Proceedings of 1-3 March 1990 Meeting*, Laxenberg, Austria: IIASA, July 1990. The authors’ notion of a charismatic businessman-entrepreneur comes straight from Austrian economist Joseph Schumpeter who coined the term *Unternehmergeist*, or “entrepreneur-spirit,” to describe people he called agents of “creative destruction.”

in Russia is the system of managing cash flows through payoffs, string-pulling, and criminal extortion, which arose out of the boost that Gorbachov's perestroika policy gave to pre-existing Soviet criminal networks in the 1980s. It then experienced a boom under darlings of London like Gaidar, who oversaw the privatization process known as the Great Criminal Revolution in the 1990s. As Russia has been integrated into an international financial order, which itself relies on criminal money flows from the dope trade and strategically motivated scams like Britain's BAE operations in the Persian Gulf, the preponderance of shady activity in the Russian economy has only increased.

Putin's governments inherited this system, and it can be ended when the commitment to monetarism, which LaRouche has identified as a fatal flaw even among genuinely pro-development Russians, is broken in Russia and worldwide. The current bankruptcy of the Trans-Atlantic City of London-Eurozone-Wall Street system means that now is the time for this to happen!

### **Yale Fellows**

In 2010, Navalny was accepted to the Yale World Fellows Program, as one of fewer than 20 approved candidates out of over a thousand applicants. As *EIR* has reported, the Yale Fellows are instructed by the likes of British Foreign Office veteran Lord Mark Malloch-Brown and representatives of Soros's Open Society Foundations.<sup>9</sup> What's more, the World Fellows Program is funded by The Starr Foundation of Maurice R. "Hank" Greenberg, former chairman and CEO of insurance giant American International Group (AIG), the recipient of enormous Bush Jr.-Obama bailout largesse in 2008-09; Greenberg and his C.V. Starr company have a long record of facilitating "regime change" (aka coups), going back to the 1986 overthrow of President Ferdinand Marcos in the Philippines. Navalny reports that Maria Gaidar told him to try for the program, and he enjoyed recommendations from top professors at the New Economic School in Moscow, a hotbed of neoliberalism and mathematical economics. It was from New Haven that Navalny launched his anti-corruption campaign against Transneft, the Russian national oil pipeline company, specifically in relation to money movements around the new East Siberia-Pacific Ocean

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9. "Lord Malloch-Brown: Soros Man Is British Conduit to Obama," *EIR*, Aug. 22, 2008 reports the earlier collaboration of these two in support of the Rose Revolution in Georgia, in 2003.

pipeline. The ESPO has just finished the first year of operation of its spur supplying Russian oil to China.

Navalny presents a split personality to the public. Online he is "Mr. Openness." He posts the full legal documentation of his corruption exposés. When his e-mail account was hacked, and his correspondence with U.S. Embassy and NED officials about funding him was made public, Navalny acknowledged that the e-mails were genuine. He tries to disarm interviewers with questions like, "Do you think I'm an American project, or a Kremlin one?"

During the early-January 2012 holiday lull in Russia, Navalny engaged in a lengthy, oh-so-civilized dialogue in Live Journal with Boris Akunin (real name, Grigori Chkhartishvili), a famous detective-story author and liberal activist who was another leader of the December demonstrations, about whether Navalny's commitment to the slogan "Russia for the Russians" marks him as a bigot who is unfit to lead. Addressing crowds on the street, however, Navalny sounds like Mussolini. Prominent Russian columnist Maxim Sokolov, writing in *Izvestia*, found him reminiscent of either Hitler, or Catalina, who conspired against the Roman Republic.

Navalny may well end up being expendable in the view of his sponsors. In the meantime, it is clear that he is working from the playbook of Gene Sharp, whose neurolinguistic programming and advertising techniques were employed in Ukraine's Orange Revolution in 2004.<sup>10</sup> Sharp, a veteran of "advanced studies" at Oxford and 30 years at Harvard's Center for International Affairs, is the author of *The Politics of Nonviolent Action: Power and Struggle*, which advises the use of symbolic colors, short slogans, and so forth.

While at Yale, Navalny also served as an informant and advisor for a two-year study conducted at Harvard's Berkman Center for Internet and Society, one of the institutions participating in the OpenNet Initiative, launched out of Cambridge University in the U.K. The study produced a profile titled "Mapping the Russian Blogosphere," which detailed the different sections of the Runet: liberal, nationalist, cultural, foreign-based, etc., looking at their potential social impact.

*Allen Douglas, Gabrielle Peut, David Christie, and Dorothea Bunnell did research for this article.*

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10. "Ukraine: A Post-modernist Revolution," *EIR*, Feb. 11, 2005. Sharp's Albert Einstein Institution received grants from the NED and the IRI.